

9-21-1984

DOC 1982-03 Faculty Voluntary Early Retirement Policy

University of Dayton. Provost

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The University of Dayton

February 18, 1986

TO: Brother Joseph W. Stander, S.M.
Provost

FROM: Brother Raymond L. Fitz, S.M. *RF*
President

SUBJECT: Faculty Voluntary Early Retirement Policy
Senate Document #82-3

Your evaluation of the Faculty Voluntary Early Retirement Policy indicates that the program has worked successfully over the past three years and has accomplished a number of the goals for which it was originally established.

After reviewing the summary of the evaluation, the Administrative Council expressed agreement about the continuation of the policy.

By this memo, I officially approve the continuation of the Faculty Voluntary Early Retirement Policy for a three-year period, through June 30, 1989. I realize your request was for a five-year extension, however; since my second term as President ends in 1989, I feel the three-year extension is more appropriate.

I want to extend my appreciation to you and Dr. Donatelli for your efforts in making this program available to our faculty.

RLF/mn



The University of Dayton

January 31, 1986

TO: Brother Raymond L. Fitz, S.M.
President

FROM: Brother Joseph W. Stander, S.M. *JW*
Provost

RE: Faculty Voluntary Early Retirement Program - Senate Document #82-3

On May 18, 1983, you approved the Faculty Voluntary Early Retirement Program (Senate Document #82-3) with the understanding that this office was to evaluate the program after three years. Renewal of the document was dependent on the results of the evaluation.

The enclosed material summarizes the results of the program over the past three year period and includes consultation with faculty, who used the program, and administrators who were involved with retirees.

The program is working fairly well as predicted, has given us an opportunity to bring in "young blood" in some areas, and has permitted a reasonable control of the number of tenured faculty.

We, therefore, officially request that you approve a continuation of the program.

Thank you for your consideration of this request.

JWS:jh
Enclosure



The University of Dayton

January 30, 1986

TO: Bro. Joseph W. Stander, S.M.
Provost

FROM: Rocco M. Donatelli

RE: Faculty Voluntary Early Retirement Program

Brother Fitz's approval of a trial program of Faculty Voluntary Retirement ends June 30, 1986 unless it is renewed.

This memorandum attempts two purposes: First, to provide you with a summary of a review conducted during October-November of 1985 of our experience with the program to date; and second, to provide you with a recommendation for the future, based upon this review and my close association with the program.

I. Program Experience

A. Background Information

Appendix I, attached, attempts to show in numerical form what our experience has been. The leftmost column shows the prospect which faced us in 1981-82 when the program was proposed and approved for a trial period. Owing to then recent statutory changes, the University faced a period of expected enrollment decline with few (7) mandatory retirements in prospect through 1986.

The stated purpose of the program was to accelerate at least 10 retirements through 1986 in order to provide both an option for senior faculty and some flexibility in tenure management and program staffing for academic administrators.

By these standards, the program has done exactly what was proposed. Through 1985, the last year for which precise figures are available, 15 retirements have been accelerated (three additional are currently a matter of record for implementation during 1985-86).

While enrollments did not decline as much as had been anticipated, it is clear that the voluntary option would have provided considerable flexibility during the trial period.

On the other hand, the rightmost column, stating the prospect facing us during 1985-86 for the years immediately ahead shows that we have, so-to-speak, borrowed retirements from the future. Even granting that the occurrence of untimely deaths, illness, etc. make any long-term projection of retirements unreliable, it is clear that we have slightly eroded the total pool of candidates for mandatory retirement in the years immediately ahead.

The experimental period for the program has also been a bit unreliable because we did not suffer severe enrollment decline. Where replacements have been ordinarily assured, there has been little if any resistance by chairs and little painful confrontation over replacement.

B. Survey Opinion

Retired faculty who have availed themselves of the voluntary option are unanimously favorable to both the freedom and the procedures we have followed. One or two suggestions for improvement are displayed in Appendix II.

Administrators consulted are also virtually unanimously in favor of this option for faculty. These administrators include the Provost, the Deans who have worked with the program, the Departmental and Program Chairs, the Financial Affairs Department, and the Office of Personnel Services.

Nearly all of these groups have a suggestion or two about procedures (also displayed in Appendix II). The most salient negative comment comes from two chairpersons who apparently experienced difficulty in managing the funding procedure, though this at least in part was a consequence of misunderstanding the details of new and infrequently used procedures.

Key to any changes in details of the benefit or of procedures would be the recommendation of Mr. Chamberlain and his staff, Mrs. Molnar in particular. Mrs. Molnar is frequently cited by all participants in the program for her outstanding competence and helpfulness to persons involved in the program. I would most certainly defer to her and Mr. Chamberlain on the details of any changes in benefit or procedure.

II. Recommendation

I recommend renewal of the program, for a specified period of time, through June 30, 1991, a five-year extension.

My recommendation is based primarily upon the acceptance of the program by both administrators and faculty as expanding faculty late-career choices and facilitating academic administration.

Bro. Joseph W. Stander, S.M.

January 1986

Page 3

Owing to rises in FICA contributions during the next five years averaging approximately .36 of 1% of salary, changes being proposed in University contribution to TIAA retirement, and other changes in law, the benefit offered to voluntary early retirees should be no less than the current benefit and probably slightly higher. The details of this increase are being drafted by the Office of Personnel Services in light of the entire array of University benefits.

Changes in procedure should also be drafted by the Office of Personnel Services to reflect the consensus views of administrators.

RMD:lh

Encls.

APPENDIX I

BACKGROUND INFORMATION: REVIEW OF VOLUNTARY EARLY RETIREMENT POLICY

Working Paper - Deans, October 21, 1985

Raw data do not well convey the nuances of the story, but for brevity's sake, please observe the following:

	Full-time Faculty (Excluding Library & Administrators) Reaching Age 70 <u>in Academic Year</u>	<u>Actual Retirements</u>	<u>Voluntary Early</u>	<u>New Full-time Faculty Reaching 70</u>
82-83	1	6	4	
83-84	0	4	4	
84-85	1	8	7	
85-86	5		In Process (3)	1
86-87	5			4
87-88	13			9
88-89	5			2
89-90	6			4
90-91	7			3
91-92	7			5
92-93	11			10
93-94	7			7
94-95	4			4

Unexplained numerical variations:

Deceased; Medical Disability; Move into
Administration; Leave the University;
Early but not eligible for benefit.

Distribution of Early Retirees: Arts and Sciences - 7 (ENG, HEC, PHL, PHY)
Bus. Adm. - 3 (ECO, MKT)
Education - 3 (EDT, LIB)
Technology - 2 (SET, IET)

10/17/85

RESULTS OF SURVEYS OF VARIOUS INVOLVED GROUPS
FACULTY VOLUNTARY EARLY RETIREMENT PROGRAM

I. Retirees (N = 4)

Responding

Counselling and Information
ProceduresExcellentAdequateInadequate

3

1

0

ContinueDiscontinueRadical Change

Program Continuance

4

-

-

Selected Comments:

Retiree A: "There is more of a sense of loss and separation upon retirement than I had anticipated. Obviously each department cannot provide facilities such as office space, telephone, and secretarial assistance . . . but might it be possible for a room to be set aside . . . a place in which they would not be an intrusion but feel welcome?"

Retiree B: "possibly more information on health care insurance to aid retiree in choosing plans best for him or her . . ."

II. Chairs and Experienced Deans (N = 8)

	<u>Excellent</u>	<u>Adequate</u>	<u>Inadequate</u>
Benefit to Faculty	1	7	0
Procedures	1	6	1* 0
	<u>Beneficial</u>	<u>Mixed or Unimportant</u>	<u>Harmful</u>
Beneficial to Dept.	7	0	1* 0
	<u>Continue</u>	<u>Discontinue</u>	<u>Radical change</u>
Program continuance	7	0	1* 0

*Chairman, Business: "The complete financial burden should be shared by department and university (especially since replacements are likely to have higher salaries than those returning). A meeting should be held with Department Chairpersons to explain financial and personnel impact prior to completion of process."

Chairman, Engineering Technology: "The Departmental contribution to the package is a burden. We may have difficulty replacing faculty who retire early."

II. Other Administrators

Mr. Weckesser: "1. Some departments failed to budget for the 1/3 payback in the three succeeding years . . . This should be emphasized. . .

2. Our auditors have confirmed that if we . . . want to, we could delay cash payment . . . for longer than six months. This could help certain individuals from a tax standpoint."

Mrs. Molnar has a number of suggestions.



The University of Dayton

September 15, 1983

TO: All Deans and Chairpersons

FROM: Joseph W. Stander, S.M. *JWS*
Vice President for Academic Affairs and Provost

RE: Faculty Voluntary Early Retirement Program

The University's initial experiment with a Faculty Voluntary Early Retirement Program has now been approved and may be implemented. The details of the program, as explained in the attached document, are being distributed to all faculty members at this time. Approval of the program extends only until June 30, 1986, and our experience with the program will dictate whether it is continued, changed, or discontinued after that date.

Also attached is a document called "Administrative Procedure for Faculty Early Retirement Program," describing the steps for implementing a Faculty Voluntary Early Retirement.

Please feel free to call the office if you have any questions and thank you for your continued cooperation.

JWS:jh
Enclosures as stated

Administrative Procedure for
Faculty Voluntary Early Retirement Program

1. Decision to Elect Early Retirement and Application for Benefits

Application by an eligible faculty member is made to the chairperson on special forms available in the Office of Personnel Services and in the Office of the Provost. The chairperson forwards the application to the Dean and the Dean to the Provost. The Provost certifies eligibility of the applicant and notifies Personnel.

The decision to accept benefits under the University of Dayton Faculty Voluntary Early Retirement Program is a voluntary and individual decision by the faculty member. The role of the chairperson, Dean, Personnel Office, and others is not to approve, recommend, or otherwise influence the decision; the role of these offices is to assist the faculty member to make an informed decision after consideration of pertinent issues and information.

The role of the chairperson has two additional dimensions. The first of these is to cooperate with the faculty member if the faculty member wishes to discuss possible part-time employment. Nothing in the policy poses any serious obstacle to the department's hiring the retiree to teach up to but not more than two courses per term. Payment for these courses would ordinarily be at the most favorable part-time rate within the current practice in the department. On the other hand, nothing in the policy should be construed as a commitment to employ the retiree on a part-time basis.

The second aspect of the chairperson's role is to make known to the Dean at the same time an early retirement application is forwarded what plans and arrangements the department proposes for covering the workload of the retiring professor.

The Dean has similar responsibilities to assure an informed decision on the part of the retiree, and to forward recommendations to the Provost for personnel realignments or changes. Everyone involved should guard against misunderstandings on the part of the retiree about any future employment status at the University.

The Provost in addition to certifying the eligibility of the applicant for early retirement also initiates a decision about replacement of the retiree. Reassignment of the retiree's duties among remaining faculty is preferred if such reassignment is feasible. It is the responsibility of the chairperson and Dean to submit evidence and arguments demonstrating the need for a full-time replacement. Replacement, if authorized by the Provost, will ordinarily be at the Assistant Professor level. Funding for a full-time replacement will not ordinarily exceed 75% of the salary of the retiring professor.

2. Fiscal Administration of the Faculty Voluntary Early Retirement Program

An Early Retirement Stabilization Fund will be created from which Voluntary Early Retirement Benefits will be initially paid.

Faculty members considering early retirement will be retained in the regular budget until such time as Voluntary Early Retirement Application is completed and an Effective Date established. Any regular salary and fringe benefit increases during the negotiation period will be budgeted for the candidate as for any other faculty member.

Once an Effective Date has been established and the Voluntary Early Retirement Application completed, the amount of the total benefit will be paid in accordance with the retiree's instructions from the Early Retirement Stabilization Fund. The department will be expected to budget this amount in no more than three annual installments in order to repay to the Early Retirement Stabilization Fund the advance payment of the Benefit.

The balance of the salary and fringe benefits of the retiree will remain in the department budget to be used as the chairperson and Dean agree.

Office of the Provost
September 15, 1983



82-3

The University of Dayton

March 24, 1983

TO: Brother Joseph W. Stander, S.M.
FROM: Brother Raymond L. Fitz, S.M. *RF*
SUBJECT: Faculty Voluntary Early Retirement Policy

Thank you for the revised document on the Early Retirement policy. I will see that it is placed on the agenda of the April meeting of the Executive Committee of the Board of Trustees.

RLF:hs



82-3

The University of Dayton

May 18, 1983

Brother Joseph W. Stander, S.M.
Vice President for Academic Affairs
and Provost
University of Dayton
CAMPUS

Dear Brother Stander,

The Faculty Voluntary Early Retirement Policy was favorably reviewed by the Administrative Council, the President's Management Conference and by the Executive Committee of the Board of Trustees at their April 22, 1983 meeting.

Based on the above reviews, I approve the policy for a two-year period beginning May 1, 1983.

I want to thank both you and Dr. Donatelli for your efforts in preparing this document. You have done an excellent job.

Sincerely,

Brother Raymond L. Fitz, S.M.
President

RLF/mn

P.S. In retrospect, I realize the document is predicated on a three year position, therefore, I approve the policy for a three-year period.

UNIVERSITY OF DAYTON

DAYTON, OHIO 45469

VICE PRESIDENT FOR
ACADEMIC AFFAIRS AND PROVOST

March 11, 1983

TO: Bro. Raymond L. Fitz, S.M.
President

FROM: Rocco M. Donatelli

RE: Financial Effects of Faculty Voluntary Early Retirement

As you know, there is no entirely reliable model upon which to base estimates of the financial effects of a Faculty Voluntary Early Retirement Program. I have, in consultation with our Comptroller, Director of Personnel Services, and Treasurer, therefore, used a variety of types of calculation to assess the impact of this program, the chief of which is simply to calculate the cost differential between early retirees and mandatory retirees.

Our early calculations identified factors which increased the University's liability, and we have used that knowledge in the design of the program to assure no significant adverse financial impact from this policy. The first element of program design which reduces University liability is the eligibility provisions of the program: age limits, 15 years continuous service requirements, and a "window" for application ending June 30, 1986. We know from our personnel records that by such program design, we have limited eligibility to an absolute maximum of 41 faculty members.

Second, we have defined the benefit and adopted an administrative procedure adequate we think to assuring that each retiree virtually pays for his own retirement benefit within three years even if a replacement is hired.

RMD:lh
Encl.

Approved by the Academic Senate
February 18, 1983

PROPOSAL TO THE ACADEMIC SENATE

Approved by the President
May 18, 1983

TITLE: Faculty Voluntary Early Retirement Program

SUBMITTED BY: Bro. Joseph W. Stander, S.M.

DATE: November 15, 1982 / March 11, 1983

Indicate the action required: Legislative, Concurrence, or Consultative, and
refer to the appropriate reference in the Senate Constitution (Article IIB, 1, 2, 3).

ACTION IS: Consultative REFERENCE IS: Article IIBe

DESCRIPTION OF PROPOSAL: State objectives, rationale, and how proposal is to be
implemented

UNIVERSITY OF DAYTON

FACULTY VOLUNTARY EARLY RETIREMENT PROGRAM

The University of Dayton fully recognizes the continuing contributions of all its tenured faculty to the life of the University. It is committed to providing an opportunity to each faculty member to continue to contribute to the University as a faculty member until age 70 or until that individual freely and voluntarily decides to leave the University. The University thus recognizes that such a decision is an individual and voluntary decision and based on the needs and circumstances of each faculty member. Among the factors considered is the financial status of an individual.

It is the purpose of the University of Dayton Faculty Voluntary Early Retirement Program to ease the financial burden on faculty members who, for whatever reason, may wish to retire early or to change the course of their academic careers to permit them to pursue other individual objectives they may have but which, because of their current position, they have been unable to fulfill.

ELIGIBILITY

The University of Dayton Faculty Voluntary Early Retirement Program is offered to all tenured faculty with academic rank in an academic department who by the Effective Date of their application meet the following requirements:

- a. have completed fifteen (15) years of full-time continuous service (continuous service includes and is not interrupted by authorized leaves of absence) and are currently teaching;
- b. have attained to the age of 62;
- c. apply for the Faculty Voluntary Early Retirement Program before June 30, 1986.

Moreover, if regular objective evaluation processes such as the Unit Review or Academic Program Review convince the President and Provost that any particular department is significantly overtenured, the Provost may identify that department and authorize an additional retirement incentive benefit up to one-half of the regular benefit for eligible faculty members in that department.

EFFECTIVE DATE OF EARLY RETIREMENT

The Effective Date is the date on which a regular faculty appointment is terminated by voluntary retirement. The selected Effective Date for voluntary retirement is entered on the faculty member's Application for Voluntary Early Retirement. Two dates are acceptable to the University because they correspond with completion of a regular academic term: December 31 and June 30. Only under extraordinary circumstances, such as exhaustion of sick leave, will the University consider any other date.

VOLUNTARY EARLY RETIREMENT BENEFIT

Tenured faculty members who elect to retire early under the terms of the University of Dayton Faculty Voluntary Early Retirement Program will receive a one-time benefit payable as shown in the following section. For purposes of calculating the magnitude of this one-time benefit the University will use the contract salary in effect immediately prior to the Effective Date of the Voluntary Early Retirement. For retirees on June 30, the base salary will be the annual contract salary for the academic year just completed, even though a new contract may have been negotiated and signed for the following year. For retirees on December 31, the base salary will be the current annual salary.

The benefit will be calculated at 6% of the base annual salary for each regular academic term (first or second academic term; not third term) between the Effective Date of retirement and the 30th of June next after the individual's 70th birthday. (To check your understanding, see example sheet attached as Appendix.)

BENEFIT PAYMENT ARRANGEMENTS

In order to provide maximum flexibility to the individual faculty member in his/her decision to accept the benefit under this Program, each individual may elect from the following options as to the type of payments to be made under the Plan:

- A. The faculty member may choose to receive the benefit in a single cash payment on the 15th of the month following the Effective Date of Retirement.
- B. The Faculty member may choose to receive the total benefit in a series of payments not to extend beyond six months.

- C. The faculty member may choose a supplemental TIAA annuity benefit purchased by the University to be paid in monthly payments for a time period selected by the faculty member.

Payments will be subject to appropriate statutory deductions as required by law. The amount of the benefit which may be applied to an annuity is governed by provisions of the Internal Revenue Code. Information about each individual's situation will be available from the Office of Personnel Services.

NORMAL RETIREMENT

Of course, the election to retire under the University of Dayton Faculty Voluntary Early Retirement Program will not reduce benefits provided under the University's normal retirement program. Early Retirees, like any other eligible faculty member, are entitled to normal retirement benefits outlined in the Faculty Handbook on Page D-24 (attached).

COUNSELING

Chairpersons, Deans, and the Office of the Provost may be consulted regarding procedures for applying for the Faculty Voluntary Early Retirement Program.

The Office of Personnel Services regularly provides two types of personal counseling to faculty members considering early retirement: General preretirement counseling will be provided to assist individuals in planning for their accommodation to retirement; in addition, individuals are counseled with regard to the timing, amount of benefits and other specific facts concerning early retirement.

EARLY RETIREMENT DECISION

The decision to accept the provisions of the University of Dayton Faculty Voluntary Early Retirement Program is a serious decision. Once the faculty member has accepted early retirement, the decision cannot be reversed, and constitutes a full waiver and release of tenure. The University, therefore, suggests a thorough consideration of all factors affecting such a decision before the faculty member submits the official application form (attached).

APPLYING FOR EARLY RETIREMENT BENEFIT

To receive the early retirement benefit, an eligible faculty member must make formal application through his chairperson. The request for early retirement is routed by the chairperson to the Dean and by the Dean to the Provost. Forms are attached and additional forms are available in the Office of Personnel Services and in the Office of the Provost.

EMPLOYMENT STATUS AFTER EARLY RETIREMENT

The decision to accept early retirement will not preclude a faculty member from part-time employment at the University. Subject to its operating needs and requirements and the provisions of its general policy as set forth in the Faculty Handbook, Section D-24, officers of the University will offer every reasonable assistance to an early retiree seeking part-time faculty employment at the University or seeking placement in any other type of position at the University. To avoid any misunderstandings, however, the faculty member is encouraged to seek explicit agreements with the appropriate University official prior to completion of the application. Except for the convenience of the University and for a stipulated period of time, early retirees may not be employed more than half-time.

Consultation by the Academic Senate
February 18, 1983

Approved by the President for a Three-Year
Period through June 30, 1986
May 18, 1983

Distributed by the Office of the Provost
September 15, 1983

FACULTY VOLUNTARY EARLY RETIREMENT PROGRAM
APPLICATION FORM

The undersigned has thoroughly reviewed and understands entirely the terms of the University of Dayton Faculty Voluntary Early Retirement Program. The terms of this Program have been thoroughly explained to me, I have been counseled fully as to its meaning and interpretation, and normal retirement benefits have also been explained to me. I have had the opportunity to ask whatever questions I have about it and thoroughly understand the answers given to me about it.

In deciding to accept early retirement under the University of Dayton Faculty Voluntary Early Retirement Program set forth on the preceding pages, I acknowledge that the decision to accept early retirement was entirely my free and voluntary decision and action. I agree that the University of Dayton, its administrators, deans or any person acting on its behalf, in no way influenced me to accept early retirement, and that I have had appropriate time and information to make my decision.

I also understand and agree that my decision to accept early retirement under the terms of this Program is a complete, irrevocable and voluntary release and waiver of all my tenure rights, including all property rights of ownership in tenure, and I knowingly understand and accept this release and waiver. The effective date of my early retirement is _____, 198____.

- ☐ A - A single cash payment of \$_____.
- ☐ B - A cash payment of \$_____ paid in installments of \$_____ between _____ and _____ (date) _____ (date).
- ☐ C - The University will use \$_____ to purchase a TIAA Annuity for a time period determined by me.

Other terms upon which my application is contingent:

Witness my signature this _____ day of _____, 198____.

Witnesses:

Applicant

Office of the Provost
September 15, 1983

January 1, 1982

RETIREMENT AGE AND BENEFITS

MANDATORY RETIREMENT

A person regardless of position held at the University will be retired, mandatorily, at the end of the fiscal year in which age 70 is attained. *

VOLUNTARY RETIREMENT

A person regardless of the position held at the University may retire voluntarily at any time after attaining age 60 with 10 years of service or age 65 with 5 years of service. No one with less than 5 years of service will be recognized as a retiree from the University of Dayton.

BENEFITS

Persons retired either mandatorily or voluntarily are recognized at the President's Recognition Dinner and upon retirement are provided the following benefits:

- A. Identification Card. (See Faculty Handbook, p. G-2.)
- B. Life Insurance. The University continues to pay the premiums until age 70.
- C. Health Care Insurance. The University continues to provide a subsidy and group benefits.
- D. Tuition Remission. Available at the same level as was available before retirement.
- E. Discount on Football and Basketball Tickets. Available at current employee discount rates.

EMPLOYMENT AFTER RETIREMENT

Under unusual circumstances and only with the express approval of the President, a person may be retained on a full or part-time basis after the date of mandatory retirement. In the event the retired person is employed full-time, the specific period must be established, usually one year or less. Benefits, other than those required by law, are the same for all retired persons even if one is working for the University.

*The fiscal year begins on July 1 and ends on June 30.

Appendix

Hypothetical Example of Benefit

Professor George F. Washington, Professor of Plant Physiology, was born February 22, 1918. His 70th birthday would occur in 1988. Examples of his Voluntary Early Retirement Benefit are shown in the chart below:

<u>Year</u>	<u>Assumed Annual Contract Salary</u>	<u>Effective Date and Age</u>	<u>One-Time Benefit Amount</u>
1982-1983	\$ 26,500	Dec 30, 1982 (64)	\$17,490
		Jun 30, 1983 (65)	15,900
1983-1984	28,000	Dec 30, 1983 (65)	15,120
		Jun 30, 1984 (66)	13,440
1984-1985	30,000	Dec 30, 1984 (66)	12,600
		Jun 30, 1985 (67)	10,800
1985-1986	31,500	Dec 30, 1985 (67)	9,450
		Jun 30, 1986 (68)	7,560

TIAA offers many options for annuities. Your annual TIAA report states the details of these. The Table below is shown only as an example of a common supplemental annuity option, and will permit rough calculation of the value of a supplemental annuity which could be purchased by a particular person at a particular age. TIAA rates, of course, are subject to change.

Immediate Life Annuity

**WITH 10-YEAR GUARANTEED PERIOD
PURCHASED BY A SINGLE PREMIUM OF \$1,000
(First Annuity Payment a Month after Purchase)**

**TIAA
CREF**

TEACHERS INSURANCE AND
ANNUITY ASSOCIATION •
COLLEGE RETIREMENT
EQUITIES FUND

TIAA Annuity Each Year*		CREF Annuity Each Year*	
Guaranteed	With Dividends	Age at Purchase	
58.59	127.03	60	67.91
59.84	127.90	61	69.26
61.15	128.82	62	70.67
62.53	129.80	63	72.15
63.98	130.85	64	73.71
65.49	131.96	65	75.36
67.09	133.14	66	77.08
68.78	134.40	67	78.89
70.54	135.73	68	80.79
72.39	137.13	69	82.77

*One-fifth of figure shown is payable each month.

TIAA Rate Basis: Guaranteed — Immediate Annuity Rates effective January 1, 1982. (Interest at 3%.)

With Dividends — Immediate Annuity Rates & Dividend Scale effective January 1, 1982 (Interest at 12%).

Dividends are not guaranteed for the future.

No premium expense charges.

CREF Assumptions: 1) 4% earnings during first year after settlement.

2) Settlement is made in the month of April.

3) CREF's mortality basis in effect January 1, 1982.

4) No premium expense charges.

All calculations are based on age to last completed month.

UNIVERSITY OF DAYTON

VOLUNTARY EARLY RETIREMENT DIFFERENTIAL COSTS ANALYSIS

This analysis is extended over only three years. It could be extended to actual retirement age which in some cases would be a longer period, but our analysis is more conservative.

Differential Costs Analysis										
Costs of Continuing Faculty Member					Costs of Early Replacement					
	Salary	Total \$ Salary Over 3 Yrs. at 4%	Fringes at 25%	Total ₁	Total ₂	Replacement Salary	Sal. \$ Over 3 Yrs. at 4%	Fringes at 25%	Ret. Benefit	3 Yrs. Annual Ret. Ben.
Example A, Age 67	30,875	104,190	26,047	130,237	115,565	23,156	72,283	18,070	22,212	3,000
Example B, Age 65	26,300	88,751	22,187	110,938	95,744	19,725	61,574	15,390	15,780	3,000
Example C, Age 63	28,310	88,372	22,093	110,465	130,858	21,232	66,277	16,569	23,780	3,000
				351,640	342,167					

- NOTES:
1. The Retirement Benefit is calculated to provide an immediate supplemental annuity which brings the total TIAA annuity to approximately what it would have been if the professor continued teaching until age 70.
 2. Each of the examples presumes replacement. In two actual cases already negotiated, the professor continues to teach for us on a part-time basis earning the maximum allowed by Social Security (\$6600) or less. Replacement costs are, therefore, consistently exaggerated.
 3. This method of analysis covering only the first three years after retirement is most distorted in the case of very early retirements (pre-age 65), because the benefit is larger and the University really recaptures its costs over a longer period of time.